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## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 15<sup>th</sup> day of July, 2008, between Elsie Kirton McQueen, a widow, Lessor (whether one or more), whose address is: 5305 Scott Drive, North Richland Hills, Texas 76180, and XTO Energy Inc., whose address is: 810 Houston St., Fort Worth, Texas 76102,

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of

0.200 acres, more or less, out of the W.W. Wallace Survey, Abstract No. 1606 and being Lot 1, Block 2, Holiday East Addition, Section 2 to the City of North Richland Hills, Tarrant County, Texas, according to the plat recorded in Volume 388-44, Page 9, Deed Records of Tarrant County, Texas and being those same lands more particularly described in a General Warranty Deed dated April 30, 1992 from Angela Allen and Melinda McQueen Atherton to Elsie Kirton McQueen, a widow, recorded thereof in Volume 10645, Page 2233, Deed Records, Tarrant County, Texas and amendments thereof, including streets, easements and alleyways adjacent thereto, and any riparian rights.

This is a non-development Oil, Gas and Mineral Lease, whereby Lessee, its successors or assigns, shall not conduct any operations, as defined herein, on the surface of said lands. However, Lessee shall have the right to pool or unitize said lands, or part thereof, with other lands to comprise an oil and/or gas development unit. It is the intention of Lessor to allow Lessee to explore for oil and/or gas without using the surface of Lessor's land for any operations. This clause shall take precedence over any references to surface operations contained within the preprinted portion of this

- Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years
  from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land
  with no cessation for more than ninety (90) consecutive days.
- with no cessation for more than ninety (90) consecutive days.

  3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal \_25%\_ part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such \_25%\_ part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear \_25%\_ of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee \_25%\_ of the amount realized by Lessee, computed at the mouth of the well, or \_25%\_ of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessees election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times hereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be reagonable of producing oil or gas, and all such wells are shut-in, and thereafter the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be required to settle labor trouble or to market gas upon terms unacceptable to during such time there are no operations on said land, then at or before the expiration of said ninety day period. Lessee shall pay or tender, by or tenders at or before the end of ea
- assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

  4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, lease, or leases, as to any or all minerals or horizons, so as to eabtilish units containing not more than 80 surface acres, plus 10% acreage tolerance, provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 840 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than castinghead gas, (2) fliquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction, if large multis than any of those herein perment, are permitted or required under any governmental nule or order for the diffigure or permitted, either at the regular location, or for obtaining maximum allowable from any well to be drilled, drilling, a size at a size of the services and options at the search service and the size permitted or required by such governmental order or rule, a size excised. Such unit shall become effective on the date such instrument or instruments are so filed of record. Each of said options may be exercised by Lessee at any time and from time of them while this lease is in force, and whether before or after operations thanks make no such provision, then such unit time and from time to time while this lease is in force, and whether before or after operations that we therefore a said sand, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall interests in lands within

production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement change or division in the ownership of said land or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor entire and undivided fee simple estate (whether Lessor's interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.
- 15. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its su

notice to Lessor of evercise of the option. In the event Lea	Id two (2) year term. This option may be exercised anytime during the initial of two (2) year term. This option may be exercised anytime during the initial of \$18,500.00 per net mineral acre. The bonus payment shall constitute see elects to exercise this option and makes the bonus payment provided for and effect as if the original primary term was five (5) years.
IN WITNESS WHEREOF, this instrument is executed on	
Elsi Kuton M- Queen LESSOR: Elsie Kirton McQueen	چر استان می استان اس مرکز استان است
COUNTY OF <u>Tarkaul</u> }	CKNOWLEDGMENT FOR INDIVIDUAL)
This instrument was acknowledged before me on the $15$ day of $16/6$ , 2016 by	
Elsie Kirton McQueen, a widow	
Seal:  BRYAN CHARLES FERRANT Notary Public, State of Texas My Commission Expires	Signature Briggin Charles Ferrant  Printed Bryan Charles Ferrant
Morch 11, 2012	